

SCHOOL CHOICE

The purpose of this edition of *At a Glance* is to provide background information on school choice programs. Currently, the SC General Assembly is considering five bills incorporating one or more aspects of school choice. These bills are summarized later in this document. They include the following:

S88

H3010

H3064

S414

H3407

What are school choice options?

Drawing from work of the *Education Commission of the States*, *The Friedman Foundation for Educational Choice* and the *Alliance for School Choice*, definitions of choice options, accompanied by SC examples, are shown below:

Charter Schools:

Initiated by parents, educators, community groups or private organizations, charter schools are semi-autonomous, deregulated public schools. They are funded with taxpayer money and subject to federal and state accountability requirements:

SC Examples:

- Greenville Technical Charter High School
- York Preparatory Academy
- Connections Academy (a virtual charter school)

Dual/concurrent enrollment:

Dual/concurrent enrollment allows secondary school students to enroll in a postsecondary course and apply course credit at the secondary school, postsecondary institution or both.

SC Example:

- Dual enrollment through the Education & Economic Development Act (EEDA)

Home schools:

Home schooling is an alternative form of education in which parents or guardians bypass public or private schools and teach their children at home

SC Examples:

- Home schooling approved by local district
- Home schooling approved through membership in an association

Magnet schools:

Magnet schools specialize in a curricular area or philosophical approach such as the performing arts or Montessori. These schools draw students from various attendance areas within a district or possibly from other districts.

SC Examples:

- Ashley River School of the Arts
- McCarthy-Teszler School
- Governor's School for Science and Mathematics

Open enrollment:

Intra-district open enrollment allows parents to send their children to a public school of their choice (space permitting) within their school district. Inter-district open enrollment allows them to send their children to a public school of their choice in surrounding districts

SC Examples

- US Elementary and Secondary Education Act choice options
- Richland County District Two Expanded Choice

Tax Credits and deductions:

Some tax credits and deductions allow parents to redirect their tax dollars to offset some of the expenses incurred by sending their child to a private school, schooling them at home, or paying for related educational costs.

Other tax credits and deductions allow individuals and/or corporations to redirect their tax dollars to scholarship granting organizations, which, in turn, redistribute these contributions to students in the form of private school scholarships. In most states, eligibility is limited to particular groups of students.

In some states, tax credits are provided for contributions to particular programs (e.g., character education in Arizona), to defray costs of home schooling or to defray costs of tutorial or supplementary instruction.

Vouchers:

Vouchers are payments made to a parent or an institution on a parent's behalf, to be used to pay for a child's education expenses, usually in a private or parochial school. Some voucher programs are financed through private sources; others use public tax dollars to fund tuition at private institutions. In this instance, "dollars follow the child" directly.

SC Example:

- Child Development Education Pilot Program (4K only)

Do school choice programs improve services to students or increase student achievement?

The results are ambiguous; however, there are very few studies. Studies of the impact of school choice are limited by a number of factors including, but not limited to, lack of experience with school choice programs, difficulty isolating choice as a variable, too many variations of choice and difficulty evaluating large-scale applications of choice.

Former South Carolina State Superintendent of Education Charlie Williams often said, "What you see depends upon your perch." Although there are a number of studies regarding student achievement in voucher or tax credit programs, the studies too frequently are based on partisan positions or ideological beliefs.

Advocates of increased school choice suggest that improvements in services and achievement are boosted by competition. This is premised upon marketplace behaviors through which schools would improve services to make them more attractive to families. Improvements to compete successfully would be evident in both public and private schools.

Choice programs (regardless of public or private) benefit from the act of selection. Parents who are assuming additional costs or responsibilities (e.g., transporting their children to and from school) may communicate the importance of schooling in a more tangible fashion that when the young people were attending the school closest to their residence.

Some prominent studies suggest the following:

Figlio, David, 2009. Evaluation of the Florida School Choice Program: *Slight improvements in public school performance*

Greene, Jay P. and Winters, Marcus, 2005. Evaluation of Florida's McKay Scholarship Program: *Improvements in public school performance of students with disabilities as McKay Scholarships were implemented*

Hart, Cassandra M. D. and Figlio, David, 2011. Evaluation of Florida Tax Credit Scholarship Program: *Improvements evident in public school performance with advent of tax credit scholarship. Measures indicate greater improvements could be linked to proximity of participating private school.*

Institute of Education Sciences (USDE), 2010. Evaluation of the DC Opportunity Scholarship Program: Final Report: *Students in the scholarship program performed at similar levels on reading and math as did non-scholarship students; however, the scholarship students graduated at a higher rate.*

Levin, Henry and Belfield, Clive, 2003 and 2004. Study of Privatization in Education: *No study has found any substantial difference in student achievement.*

Public Policy Forum, 2003. Study of the Milwaukee Voucher Program: *Study did not demonstrate achievement gains among voucher or public school students.*

Do school choice programs save money?

To answer the savings question, we have to consider "to whom." States using vouchers typically establish a value for the voucher that is lower than the public funds used to educate the student. If the state appropriates \$7,000 per student and establishes a voucher level of \$5,000 there is an implied saving of \$2,000. The same principle applies for tax credits and deductions. States receive less revenue; however, states also lower their educational appropriations because fewer students are in the public schools.

Local communities (county councils, school boards or other fiscal authorities) do not necessarily appropriate funds to schools based on per pupil allocations. An examination of local revenues in SC public school districts over the past ten years reveals that, even when enrollments decline, local revenue has not (That is not to say that increases in local revenue have not been reduced or stalled.)

School district leaders point out that classroom costs may not drop as students leave a school. A classroom with 19 students is as expensive to operate as a classroom with 20 students. The cost for teachers, space, utilities, equipment remains the same. So local districts are likely to indicate there are no savings.

Parents already paying for their student to attend a private school or assuming the costs of home schooling would receive a direct tax or tuition benefit from tax deductions, credits and vouchers. Because vouchers or tax credits and deductions rarely equal the level of tuition and educational expense, those parents choosing to use the choice option may increase their costs as they pay the tuition gap between the credit or voucher and the school expense.

Under the proposals, how could SC schools accepting vouchers or scholarships be held accountable?

Depending upon the provisions of state law, schools accepting vouchers or scholarships (through a tax credit/deduction program) could be held accountable in the following manner:

- All schools, public or private, must meet health and safety requirements for their facilities as established by the state health and social service agencies and fire marshal. For example, SC private child care centers must be licensed by the Department of Social Services which imposes substantial requirements on staffing and physical facilities;
- Some private schools accept Elementary Secondary Education Act (Title I) funds; however, those schools are not subject to the adequate yearly progress provisions;
- The provisions of S414 and H3407 require the schools to submit annual financial and compliance audits to the Education Oversight Committee; and
- The provisions of S414 and H3407 require that the students be administered either the state accountability tests (e.g., PASS) or a nationally-normed achievement test from a list of assessments established by the State Department of Education and that results be published.

WHAT ARE THE KEY CONSIDERATIONS IN SCHOOL CHOICE PROGRAMS?

- **What is the reason for expanding school choice?**
- **Will choice ensure quality and extend equity to South Carolina students?**
- **How can the State, or should the State, ensure that all of the choices available are good choices?**
- **Can we ensure that schools do not limit access for students with significant educational needs?**
- **Can we achieve sufficient diversity among schools to facilitate meaningful choices?**

What school choice options are pending before the SC General Assembly?

As of January 26, five bills advocating increases in school choice are pending before the General Assembly:

Table 1. Choice Legislation before the SC General Assembly

Bill Number	Sponsor	Type of Choice Programs	Eligible Students	Per Pupil Funding
S88	Sen. Ford	Voucher: 2-year pilot program	Students with disabilities in counties with populations >190,000	50 % of state per pupil funding
H3010	Reps. Ballentine & Hamilton	Tax Credits for tutoring costs	K-12 students (includes students to age 21 without standard diploma and pursuing GED)	\$2,000 or less
H3064	Reps. Merrill, Toole & Bingham	Tax Credit for books and supplies	Private and home school students	\$100 or less
S414	Sen. Grooms, McConnell, Ford, Ryberg, Bryant, Campsen, Davis, Fair, Rose, Shoopman, Verdin, Thomas & Bright	Tax Credits/Scholarship Granting Organization	3 groups of students: (1) For scholarships: Students eligible for free/reduced price lunch or Medic-aid; (2) For tax credits: students initially enrolling in private schools; and (3) For tax credits (in several years): incumbent private school students And a tax credit for home schooled students	Not exceed the greater of base student cost or 50% of state projected allocation to resident school districts
H3407	Reps. Herbkersman, Owens, Quinn, Simrill, Stringer, Bedengfield, Barfield, Bowen, Clemmons, Corbin, Dellene, Hamilton, Hardwick, Harrison, Henderson, Hixon, Limehouse, Loftis, Long, Lowe, McCoy, DC Moss, Murphy, Nanney, Patrick, Pitts, Ryan, GMSmith, GRSmith, JRSmith, Sotile, Taylor, Viers, Willis, Crawford	Tax Credits/Scholarship Granting Organization	3 groups of students: (1) For scholarships: Students eligible for free/reduced price lunch or Medic-aid; (2) For tax credits: students initially enrolling in private schools; and (3) For tax credits (in several years): incumbent private school students And a tax credit for home schooled students	Not exceed the greater of base student cost or 50% of state projected allocation to resident school districts

Are more parents making choices among the schools their children attend?

Over the last several years there has been an increase in public school choice, nationally and in South Carolina. Data specific to South Carolina are limited. The US Department of Education annually publishes *The Condition of Education*. The 2009 edition detailed the increase in parental choice of school as shown below. The increase is similar across poverty status. It is more likely that parents with more education opt for choice.

Table 2. Percentage distribution of students in grades 1-12 according to type of school attended, by student and household characteristics; selected years 1993-2007

(Source: USDE The Condition of Education 2009)

	PUBLIC ASSIGNED					PUBLIC CHOSEN				
	1993	1996	1999	2003	2007	1993	1996	1999	2003	2007
Total Percent	79.9	76.0	75.9	73.9	73.2	11.0	13.7	14.5	15.4	15.5
Poverty Status										
Poor	82.6	77.8	76.5	78.2	77.6	13.9	17.6	19.3	18.4	19.1
Near-Poor	82.5	78.6	78.4	77.0	78.1	11.1	14.0	15.7	16.7	16.5
Non-poor	77.2	74.0	74.6	71.4	70.4	9.7	11.7	11.9	14.0	14.2
Region										
Northeast	77.8	74.3	74.1	73.5	72.3	9.3	12.9	13.7	11.6	13.3
South	82.0	78.7	77.6	75.9	75.2	10.9	12.5	13.5	15.8	14.0
Midwest	79.6	75.4	76.0	71.6	73.6	10.4	12.4	13.5	14.4	15.0
West	78.7	74.0	74.8	73.6	70.6	13.4	17.7	18.1	18.6	20.1
Parents' Education										
Less than high school	83.6	78.8	79.6	77.6	85.4	13.7	17.4	17.8	19.7	12.4
Diploma or GED	83.5	82.1	80.3	79.3	79.8	11.4	12.3	14.3	15.8	16.3
Some college	79.8	76.4	77.4	75.8	75.4	11.1	14.7	15.2	15.8	14.0
Bachelor's degree	75.8	70.7	71.5	69.0	70.7	9.2	13.1	13.1	14.1	15.8
Graduate/professional degree	72.7	66.1	68.1	66.2	62.2	9.8	12.6	13.1	14.1	15.8

Who makes the choice and under what circumstances?

Parents, educators and communities make choices among programs and schools every day. Choice on the largest scale is a choice among public schools, private schools and home schooling. Because of the historical use of attendance zones around public schools, many parents have purchased or rented a home in the area closest to the school they wish their children to attend. Just to remind us of the choices, they are summarized below:

- Choice among public, private and home schooling;
- Choice of residence in a school attendance zone;
- Choice among public schools in recognition of particular family need (e.g., convenience to child care);
- Choice of instructional program (e.g., dual enrollment, International Baccalaureate) within a school or a school district;
- Choice of a charter, magnet or special school.

Within each of the school categories (that is, public or private) the level of parental decision-making varies. For example, all parents have access to the public schools in the area of their residence; however, the admission to one of South Carolina's Governor's schools, to a magnet program or to a specialized instructional program depends upon local admission criteria and student eligibility. Access to a charter school may depend upon enrollment or space limitations.

How many states have sponsored school choice through vouchers or tax credits?

According to the *Alliance for School Choice*, state programs vary. The data in Table 3 provide some understanding.

Table 3. 2009-2010 School Choice Data

(Source: Alliance for School Choice, 2010)

States (including D.C.) with School Choice Programs	12
Scholarship Tax Credit Programs	7
Public Charter Schools	40
State with Special Needs/Foster Programs	5*
Total Number of School Choice Programs	18
Number of School Voucher Programs	9
Number of Scholarship Tax Credit Programs	9
Specials Needs/Foster Programs*	5
Total Students in School Choice Programs	179,721
Total Students: Scholarship Tax Credit Programs	115,642
Total Students: School Voucher Programs	64,079
Total Students: Special Needs/Foster Programs*	24,555*
Total Funding Expended for School Choice Programs	\$606,097,380
Total Funding: Scholarship Tax Credits	\$256,316,848
Total Funding: School Vouchers	\$369,780,531
Total Funding: Special Needs/Foster Scholarships*	\$168,135,462*
Avg. Scholarship Amount for School Choice Programs	\$3,373
Avg. Scholarship in Scholarship Tax Credit Programs	\$2,044
Avg. Scholarship in School Voucher Programs	\$5,770
Avg. Scholarship for Special Needs/Foster Programs*	\$6,847

*Not included in totals

What are the programs among the states?

The programs most frequently cited as state-authorized or supported voucher or tax credit/deductions programs are listed below the targeted student groups. Please note that eligibility based upon poverty is defined differently among the states, ranging from 185 percent (free/reduced price lunch eligibility status) to 300 percent of the federal poverty definition.

School Choice Programs across the Nation and Targeted Students

(Source: The ABCs of School Choice, Friedman Foundation for Educational Choice, 2011)

ARIZONA

- Personal Tax Credits for School Tuition Organizations: students in poverty
- Corporate Tax Credits for School Tuition Organizations: students in poverty
- "Lexie's Law" Corporate Tax Credits: students with disabilities and displaced students (e.g., students in foster care)

DISTRICT OF COLUMBIA

- Opportunity Scholarship Programs: students in poverty

FLORIDA

- McKay Scholarship Program for Students with Disabilities: students with disabilities
- Florida Tax Credits Scholarship Programs: students in poverty

GEORGIA

- Special Needs Scholarships: students with disabilities
- Tax Credits for Student Scholarship Organizations: all public school students

ILLINOIS

- Tax Credits for Educational Expenses: all students

INDIANA

- School Scholarship Tax Credit Program: students in poverty

IOWA

- Tax Credits for School Tuition Organizations: students in poverty
- Tax Credits For Educational Expenses: all students

LOUISIANA

- Elementary and Secondary School Tuition Deduction: all students
- Student Scholarships for Educational Excellence Program: students in poverty
- School Choice Pilot Program for Certain Students with Exceptionalities: students with disabilities

MAINE

- Town Tuitioning Program: students in identified communities

MINNESOTA

- Tax Credits & Deductions for Educational Expenses: parental income restricted

OHIO

- Autism Scholarship Program: autistic students
- Cleveland Scholarship and Tutoring Program: students in K-8, poverty priority
- Educational Choice Scholarship Pilot Program: students in low performing schools

OKLAHOMA

- Lindsey Nicole Henry Scholarships for Students with Disabilities Program: students with disabilities

PENNSYLVANIA

- Educational Improvement Tax Credit Program: parental income restricted

RHODE ISLAND

- Corporate Tax Credits for Scholarship Organizations: students in poverty

UTAH

- Carson Smith Special Needs Scholarship Program: students with disabilities

VERMONT

- Town Tuitioning Program: students in identified communities

WISCONSIN

- Milwaukee Parental Choice Program: students in poverty